GENERAL AND REVENUE SECRETARIAT.

(Geology)

NOTES.

Geol. File No. 133-27

FILE HEADING.

Fixing the rate of Royalty on Manganese and chrome Ores.

FROM

The Director of Geology

No. 2402 Dated 8. 3. 28 Received 9. 3. 28

Diary No. 761/ Enclos. Spare copies Serial No. 1.

BRIEF ABSTRACT OF LETTER.

Recommends (i) that the rules at present in force requiring participation of prospectors with Govt. both in respect of manganese and Chrome should be withdrawn (ii) that the Royalty on Manganese and Chrome ores should be at a uniform rate of 10 as and Rs 1-8-0 per ton respectively and (iii) that the rules to be in force for 2 years

NOTES AND ORDERS.

Secy's Note.

Submitted for perusal. will be wanted up in due course.

Sd/- HK. 9/3/28

2nd member

NOTES—First Sheet.

GENERAL AND REVENUE SECRETARIAT.

(Geology)

NOTES.

Geol. File No. 133-27

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FROM

The Director of Geology

No. 2402 Dated 8-3-28 Received 9-3-28

Diary No. 761	Enclos.	Spare copies	Serial No. 1.

BRIEF ABSTRACT OF LETTER.

Recommends (i) that the rules at present in force requiring participation of profits with Govt. both in respect of manganese and Chrome should be withdrawn, (ii) that the ~~rate of~~ Royalty on Manganese and Chrome ores, shd be at a uniform rate of 10 as and Rs 1-8-0 per ton respectly. and (iii) the rules to be in force for 2 years.

NOTES AND ORDERS.

Secy's note.

Submitted for perusal. will be wanted up in due course.

Sd/ HK 9/3/28

Hd Member

NOTES—First Sheet.

7611

General and Revenue Secretariat. Gcol File No. 133 of 1927.

Serial No.

2nd member)

2) Do mnk. 14/3/28.

3) On a representation made by the United Steel Coy for the reduction of Royalty on Manganese ore, the question was considered and orders were passed that the Royalty on Manganese ores 44% & below, be reduced from annas 12, to 6 annas a ton for a period of 2 years, (vide G.O. no I & C. 6545/Gcol 73-25-4 dt 23-3-26.) and subsequently it was notified that the concession should apply only to P.L. issued after the date of the notification, and also to such licenseholders who had agreed to pay not less than 25% of their net profits in addition to Royalty, whether the licenses were issued prior or subsequent to the date of the notification vide Notification no I.C. 1204/Gcol 73-25-4 dt 19/8/26.

Gcol 73-25(S11)3-4.

Gcol 73-25-48-10

4) Kind attention is invited to clauses a & c of para 2. of the G.O. no I.C 2480-91/Gcol 24-26-1 dt 4 10 26. which governs the grant of mining concessions for manganese ore at present.

5) The Dy Sec states that out of the 9 blocks, for which licenses were granted under the above rules, it was from only one block, ie, the shaker block, it was found by Mr A.H. Malaviya by Mr A.H. Burrell, that some profits have been realised. vide para 2 P.U.D.

NOTE—Contn. sheet

General and Revenue Secretariat. Geol File No. 133 of 1927

Serial No.

b) The Dr. states that the profit sharing Scheme has not resulted in any benefit to the Govt as such as since licenses are granted for short terms / without the right to mining leases which are a great handicap to Miningmen in as much as the profit earning stage can only be reached after some stability is attained in the operations as the result of experience. He further states that the checking of accounts &c. is not appreciated by the Mining public because it is of inquisitorial nature and 2) that Govt do not come in to share the losses nor do they provide any capital but would like to have a share in the profits of the BS & He also have expressed / recommended the abandonment of the profit sharing Scheme. vide para 3 P.U.D.

7) The Dr recommends that a modification of the rules in the profit Sharing Scheme is to be considered.

Re: Royalty:—

The present rates are as a follows.

on High grade ores Rs 1-4—0 a ton.

on ores of 44% Mn and below 0-12—0 a ton.

Do 0-6—0 a ton under the profit Sharing Scheme.

The Dr suggests a uniform rate of 0-10-0 as per ton on all kinds of manganese ores. for reasons stated in para 5 P.U.D.

Re: Royalty on chrome ores, he also states that

NOTE—Contn. sheet

General and Revenue Secretariat. Geol File No. 133 of 1927.

Serial No.

the present rate at Rs 1-8-0 may be continued and that the profit-participating Scheme may be withdrawn,

9) The recommendations of the Dy. are—

(i) That rules re: profit sharing scheme in respect of manganese and chrome ores should be withdrawn,

(ii) That Royalty on all manganese ores should be fixed at a uniform rate of 10 annas per ton, irrespective of the grade of the ore

(iii) That the Royalty on all chrome ores to be Rs 1-8-0 per ton.

(iv) That the Rules to be in force for 2 years.

Submitted for orders.

HCR 20/3/28

Urgent

9) Please put up the original file which contains the G.O. sanctioning the profit Sharing scheme, as well as subsequent file where the continuance or the abandonment of that policy has been considered— MCT 27/3

Sd

10) Geol. files 73-23-1, and 49-24. Nos (1-3, 7-9, 13, 15). Containing the G.O. sanctioning the profit Sharing Schemes are put up, to-gether with files nos. Geol 133-24; Geol 145-24, and Geol 96-25.

HCR 27/3

11) The previous refer are put up.

It will be seen that the mining policy of Govt has considerably varied from time to

NOTE—Contn. sheet

Serial No.

time, especially in the case of manganese & chrome. The Govt felt – and rightly – that the State was not deriving as much benefit from its valuable mineral resources, as it had a right to expect. The policy of profit-sharing by Govt was one of the Schemes that were considered and adopted in that connection.

2) During the period the scheme has been in force, it has benefitted neither the Govt nor the mining public. The latter have always been averse to the policy of Govt coming in for a share of the profits, without an equal readiness to share in the possible losses, which are only too likely, in speculative concerns like mining. For a proper working of the scheme again, it is necessary that there should be a thorough, detailed, & efficient audit of the mining accounts of the several licensees. As pointed out by the Du, we are bound to be felt as very inquisitorial in practice. Kind ref^{e} is invited to Paras 140 — 150 of the note in Geol. file 96 of 25. (linked) where this question has been discussed some extent. It is time now that the

NOTE—Contn. sheet

WD 0321—GPB—60,000—21-5-27

General and Revenue Secretariat. | File No. | of 192

Serial No.

Scheme of profit-sharing was definitely abandoned, as recommended by the Dir— This is the first point for order.

13) Regarding the revision of the rate of royalty on manganese, it may be noted that originally the rates were Rs 1/4/0 per ton on high grade ore and Rs 0/12/0 per ton on low grade ore. On the repeated representations of the United Steel Co. the Dir reported that market-conds for low grade ore were very difficult and that the rate of royalty on such ore might be reduced to Rs 0/6/0 per ton, temporarily for a period of two years. This was sanctd by Govt: the period expires by the end of this month. The Dir recommends that as there is not much high grade ore and even the little there is, is mixed with low grade stuff in varying proportions to make it fit for the market, a flat rate of Re 0/10/0 per ton may be levied on manganese of all grades. For the reasons stated, the Dir's recommendation may be applied. He considers that the rate of royalty on chrome - viz., Rs 1/8/0 - needs no change. These rates may be in force for a

The revised rates will have effect on all licences + leases sanctd or renewed subsequent to 1st April 1928.

NOTE—Contn. sheet

WP
15/4

WD 0321—GPB—60,000—21-5-27

General and Revenue Secretariat. Geol File No. 133 of 1927.

Serial No.

period of two years from 1st April next -
Subo for orders.
Secy D)
WP
29/3/28

14) I shd like to know what the probable effect of these proposals would be. Please put up info as to the amt realised by (a) 1/4th share of profits (b) royalty on high grade ore (c) royalty on low grade ore. I shd like to know what the (average return to Govt would work out to per ton of ore. We wd then be in a position to form some idea of the net effect of the abolition of the 1/4th share of profits & the substitution of a flat rate royalty

WP

15) Please do as proposed & 3 28
instructed.
WP
30/3

16) Draft put up as personally directed
WP
30/3.

17) Agd. Please issue at once
WP
30/3

NOTE—Contn. sheet.

WD 0324—GPB—60,000—24-5-27

General and Revenue Secretariat. Geol File No. 133 of 1927

Serial No. 2

To The Director of Geol.

D. O. no B. 10534. dt 30 3. 28.

Requests him to furnish info^n early on the following points.

1) The amt. realised by Govt. by way of 25 % of the net profits during the period the Scheme has been in force in respect of a) Chrome b) manganese,

2) Quantity of Chrome ore won by licensees and lessees And Royalty there-on each year for the past 3 years

3) — do - manganese (high grade) ore — do —

— do — (at Rs 1-4-0 per ton) - do —

4) - do - manganese (low-grade) — do —

— do — (at 6 annas per ton) during the period of 2 years from 1st April 1928.

X-ref A

GEN. & REV. SECRETARIAT
31 MAR 1928
DEVELOPMENT BRANCH.

DO Letter No 2402-2 D. 10th April 28 from the Dir of Geol. furnishing the "inform" called for in Serial 2 above.

18) Kind refe is invited to the statement enclosed with the Dir's letter.

19) The realisations by way of net profits — whether in respect of chrome or manganese — have been negligible. A statement has been put up in the Office (on the material furnished

Flag Q.

NOTE—Contn. sheet

General and Revenue Secretariat. | Govt File No. 133 of 192

Serial No.

by the Dir) showing in respect of manganese the relative financial results i) under the profitsharing scheme with varying rates of royalty and ii) with a flat rate of royalty, with no net profits to the Govt. It is seen that the Govt would have been the gainer by about Rs 4500/- if the latter alternative were adopted, on the outturn of the mineral during the last 2½ years

20) Subd for orders — Refer Para 14

Sec'y D) Ltr 11/4/28

11/4

21) The Director's proposals may be approved that is to say

1. Profit sharing, which has caused much justifiable irritation, and brought in no appreciable revenue may be abolished.

2. The royalty on chrome may remain as it is - viz, 1-8-0 per ton

3. The royalty on manganese may be fixed at a flat rate of 0-10-0 per ton, irrespective

NOTE—Contn. sheet

WD 0324—GPB—60,000—24-5-27

General and Revenue Secretariat. Ref. File No. 133 of 1927.

Serial No.

of the grade of the ore. In view of the fact that by far the greatest part of the ore available is low grade the net result will be a gain in revenue.

This may be tried for 2 years

2d Member) 11.4.28

22) I am afraid that we cannot change the rates during the currency of a license or lease without the consent of the licensee or lessee. We might obtain his consent if the change is to come into force immediately; Otherwise, the rates might be brought into operation in case of all leases or licenses issued or renewed after 1st April 1928

2d Member) 12.4.28

23) I agree. The System of claiming a share of profits in addition to royalty per ton has proved a failure for the reasons given by the Director

NOTE—Contn. sheet

2 APR. 28
5892

General and Revenue Secretariat. Rev. File No. 133 of 192 7.

Serial No.

The DD of D and C has also disappeared of this System

2) Whether it is desirable to reduce the royalty rate for high grade manganese from Rs1/8 to as 10 is an important point for consideration. If the quantity of high grade ore ven large no such reduction could be allowed. The Dir states that practically no such ore is now mined and what little quantity is taken out is mixed with inferior ore and no loss will result as the new rate of royalty will be paid on the tonnage made up of both high and low grade ores. The flat rate of as 10 per ton irrespective of grade may therefore be approved. This arrangement simplifies the procedure for recovery of royalty as no question of grade determined with ref to analysis or otherwise arises under it. If there is any superior Manganese deposit we need not allow any private person or Company to work it and its exploitation can be taken up directly by Govt

NOTE—Contn. sheet.

WD 0324--GPB--60,000--24-5-27

8467

General and Revenue Secretariat. Geol File No. 133 of 1927

Serial No.

DEWAN'S OFFICE.
Received on
1 APR. 1928
Reg. No. 6510

25) The new arrangement may be tried for 2 Years as suggested by the Dir and the rate of as to will apply to Prospecting Licenses granted or extended from 1.4.28

26) The royalty rate for Chrome and other Conditions of Licenses may remain unaltered

27) This is a matter of policy relating to exploitation of Minerals and the Case may be Submitted to Dewan

MM
13.4.28

Dewan)

RR
14.4.28

28) I agree

MM
14/4

16
16/4/28

29) Please put up file

RR
17.4.28

MM
17/4

Council matter

NOTE—Contn. sheet.

8461

App. F. III—2]

General and Revenue Secretariat.

Sec's File No. 133 of 1927

Serial No.

30) Drafts Submitted for ~~Appt~~ Consideration.

DER 18/4/28.

31) Typed dft for appl. (may be considered in Council, if appd.)

See Y D)

WG 21/4/28

32) Please type as revised

24-4-28

33) Typed dft as revised submitted

WG 24/4/28

See M D)

WG 24/4

34) May be considered in Council if approved by the Dewan

2d Member

25-4-28

Dewan

WG 25/4

30-4-28

WG 1/5

5-5-28

35) Chief Sec's, with compl/s

7-5-28

7/5/28

DEWAN'S OFFICE.
Received on
1. MAY 1928
Reg. No. 6896

2 APR. 1928
No. 6204

NOTE—Contn. sheet.

WD 0324—GPB—60,000—24-5-27

Excl. 1333-27 14

20

(For Disposal at a Meeting)

No. C. 368

of 1927-28

GENERAL AND REVENUE SECRETARIAT.

Council Matter.

SUBJECT.

(Clause xii of the schedule)

Revision of the rules for the grant of prospecting licenses for Manganese and Chrome.

CIRCULATED TO THE MEMBERS OF COUNCIL.

By Order,

R. Rangarao

15th May 1928. for *Chief Secretary to Government.*

~~Extraordinary Member of Council.~~

9654/1775 **First Member of Council.** 18/5/28

6439/17.5. **Second Member of Council.** 17.5.28

11431/18/5 **Third Member of Council.** 25/5

Ecol 1337/27 368 15

12 F.

Extract from the Proceedings of the 823rd *Meeting of the Council of His Highness the Maharaja, held at Bangalore on the* 14th June 1928. *19*

130. Subject. - Clause xii of the schedule.

36/ Revision of the rules for the grant of prospecting licenses for Manganese and Chrome.

OPINION OF THE COUNCIL.

37/ The proposals contained in the draft Govt. Order may be approved.

(Signed) Mirza M. Ismail,

Dewan of Mysore.

38/ For favour of final note

1st Minister

"EXTRACT"

M M Rama Rau

Chief Secretary to Government.

7294. 15/6.39/

F.N. Signed by the Minister

15/6

WD 1471—GPB—2,000—1-3-21

bus 19/6

Revd :133-27

16

Final Note by the First Member of Council.

Subject:—

Revision of the Rules for the grant of prospecting licenses for Manganese and Chrome.

40) Under the existing rules, persons who are given prospecting licenses for chrome and manganese, are required to pay in addition to a tonnage royalty, 25 per cent. of the profits made by them. The Director of Geology has represented that this profit-sharing scheme has not worked well. There are practical difficulties in enforcing the condition of payment of a share of profits, and in view of the speculative nature of mining, it has been urged that the claim to a share of profits in addition to a tonnage royalty is not reasonable. The Board of Industries & Commerce also has expressed the opinion that the payment to Government should take the form of only royalty. It is accordingly proposed to abolish the profit-sharing scheme.

M (Mpc3)

2. 41) Regarding the rates of royalty, the Director states that the present rate on chrome, namely, Rs 1-3-0 per ton is suitable and needs no change. In the case of manganese, there are at present two rates - Rs 1-4-0 and Re. 0-6-0 per ton based on the grade of ore. The application of different rates based on grades of ore involves analysis of ores and entails delay, and it is therefore proposed to levy in future a flat rate of annas ten (Re.0-10-0) per ton on all grades of ore. There are no large deposits of high grade ore and the levy of annas ten is likely to improve the revenue as the present rate for low grade ore is only annas six per ton.

Ecol. 133-2)

17

3. 42) The above proposals were considered by the Council on 14th June 1928 and approved. I solicit the gracious ~~sanc~~ Notification of His Highness for giving effect to them.

Bangalore,
18th June 1928.

M N Venkatarama Rau
MEMBER OF COUNCIL.

18

App. F. III—2]

15

General and Revenue Secretariat. Genl File No. 133 of 1927. C368

Serial No.

137) D. S. N. Subd with the Final Note.

Dewan)

nm
19/6

DEWAN'S OFFICE.
Received on
20. JUN. 1928
Reg. No. 7938

Jm
20-6-28

NOTE—Contn. sheet

WD 0324—GPB—60,000—24-5-27

Revd. 133-27 & 29

Submitted to His Highness.

---

(44) *I submit herewith a Final Note by the*...First.....
Member of Council on the subject of...Revision of the
Rules for the grant of prospecting licenses for -
Manganese and Chrome.
for His Highness' gracious approval.

Mirza M. Ismail
Dewan.
20-6-28

Rev/

Revl. 133-27 20

Record of Cases submitted for the Orders of His Highness the Maharaja.

Subject.

45/ Revision of the rules for the grant of prospecting licenses for Manganese and Chrome.

712

Order.

46/ KRW
22/6/28

C Secy
MS
24-6-28

MW 25/6.

8467 27

General and Revenue Secretariat

Revl. 133-27 C368

SUBJECT

47) Revision of the rules for the grant of prospecting licenses for Manganese and Chrome.

(*)

31. All urgent or confidential files returned with His Highness' orders may, in the absence of instructions or indications to the contrary, be ordinarily circulated to the Members of Council for perusal after the issue of orders.

33. The Secretaries concerned should see that orders in the cases referred to above are issued at once and that the files are returned immediately after to the Chief Secretary for circulation to the Members.

34. In all other cases, the files will first be circulated to the Members of Council at headquarters and then to the Secretariat concerned for the issue of orders.

Circulated to Members of Council for perusal of His Highness' orders before/after issue of orders. (*Vide* Rules 31, 33 and 34 of the Subsidiary Rules for the conduct of business of Council in the Manual of Council Rules and Procedure.)

By Order,

Chief Secretary to Government.

Through the Secretary to Government,

.....Secret..... Department,

48) Please put up file

25-6-28

49) Diff orders is in the file. It may be issued, after perusal by the member, if any Sect D)

7524 26/6 27/6

FIRST MEMBER OF COUNCIL. 26/6/28

50) 1st Member 27-6-28

SECOND MEMBER OF COUNCIL.

27/6

THIRD MEMBER OF COUNCIL. 28/6

NOTE.—Contn. sheet.

23 ~~22~~
22

App. F. III—2]

General and Revenue Secretariat. Genl File No. 133 of 1927.

Serial No. 4

G. O. No. D. 13782-94 dt 30-6-28
to the Dir. of Geol; Chief Inspr of Mines, Rev: Genl &c &c
sanctions the abolition of the
rebate of profit-sharing by Govt
in respect of P.L. for manganese-
ore, and a levy of an
adv. rate of 0-10-0 on ad. grades
of manganese ore for a period
of 2 years from 1-4-28.

Refee:- Para 4 of G.O. dt 30.6.28.

57) Draft notifn put up.

20/7/28. 52) Dft notifn for appl
Sec'y D)

6/7

6/7

53) Issue

7/7/28

Has not a notifn been issued
about the profit sharing? If so,
it is necessary to notify the abolition
of that system

to the Compiler, Imperial Gaz
Rev. D. 267 dt 10.7.28
Notifies the changes in the rates
of royalty on manganese ore

GEN. & REV. SECRETARIAT
18 JUL 1928
DEVELOPMENT BRANCH

GEN. & REV. SECRETARIAT
12 JUL 1928
DEVELOPMENT BRANCH

Note—Contn. Sheet.

WD 01714—GPB—30,000—19-4-28

M.G.D. 12.]

No. 2402

Dated, Bangalore, 8-3-1928.

GEN. & REV. SECRETARIAT
9 MAR 1928
DEVELOPMENT BRANCH

From

P. SAMPAT IYENGAR, Esq., M.A.,
Director, Mysore Geological Department.

To

N. Rama Rao, Esquire, B.A., B.L.,
Secretary to the Government of His Highness
the Maharaja of Mysore,
Development Departments.

Sir,

1) I have the honour to invite a kind reference to G.O.No.I.C. 6545 Geol.73-25-4, dated 23rd March 1926, directing the reduction of royalty on low grade manganese from annas 12 to annas 6 per ton for a period of 2 years. The reduced rate was brought into effect from 1st April 1926 and made applicable to licensees under the profit sharing scheme, in pursuance of the subsequent G.O. No.I.C.1202-3 Geol.73-25-9, dated 19th August 1926. With the end of the current month the reduced rate of the royalty on low grade manganese ores will expire. I consider this to be opportune time to make the following recommendations in regard to the policy of granting licenses for manganese in future and the royalty to be levied thereon.

2) The grant of mining concessions for manganese ore is at present governed by Order No.I.C.2480-91 Geol.49-24-1, dated 4th October 1924, the main features of which are that licenses granted will be renewable from year to year for a period of not more than 3 years but without the right to a mining lease; and that in addition to the royalty not less than 25% of net profits shall have to be paid to Government. The following are the licenses granted under these rules:-

1. P.L.No.644. Singri Nanjappa — Hatyal block.
2. 1659/664/682 C.M.Tresslor - Sivaganga block.
3. 667/668/681 Do. A.H.Burrett transferree & now R.K.Malaviya - Keshapur block.
4. [illegible] 674 S.S. Setlur [illegible] Janehar block.

5. P.L.No.676 - E. H. Rushton - Nakikere block. Surrendered after six months.

6. " 677 - Do. Hanumankatte

7. " 678 C.S. Annamalai - Sulekere block. Surrendered at the end of the year.

8. " 679 Do. Honnebagi

9. " 693 Z. Abid Shah - Kond

Of the 9 blocks taken out some operations were carried on and ore won from five blocks Viz. P.L.Nos.1,2,3,4,6,& 8. Of these it is only from one block, i.e. P.L.No.3 - Kesapur, that some profits have been realised.

3) From the beginning there has been an outcry from the mining public against this profit sharing scheme both in respect of chrome and manganese ores. Mining is of a great speculative character particularly in its initial stages and a profit earning stage can only be reached after some stability is attained in the operations, as the result of experience. Hence the short term licenses and the withdrawal of the right to mining leases is a great handicap to mining men. Further the requirement of the maintenance of correct accounts which is necessary for assessing profits if any is not at all appreciated by the mining public, particularly because (1) it is of an inquisitorial nature and (2) that Government do not come in to share the losses but they would like to have a share in the profits without providing any capital &c. Neither is it an easy matter for the Department to scrutinise these accounts. I should consider the result is quite disproportionate to the trouble and inconvenience involved both to the parties and the Government. The Board of Industries & Commerce have also recommended the abandonment of the profit sharing scheme.

4) The scheme has been tried for some years and I think it is high time that a consideration of its modification should now be made. The working of the scheme has not resulted in any benefit to the Government as has been pointed out above and I would therefore recommend that it should be withdrawn. Under the ordinary reserved necessary powers to reject.

applications for licenses over any particular area or to impose special terms in respect of any block. This I think will quite do to safeguard the interests of Government requirements for future industries.

5) Next, coming to the royalty rates they are at present as follows:-

On High grade ores - 1-4-0 a ton.

On ores of 44% Mn. and below - 0-12-0 a ton.

Do. - 0-6-0 a ton under profit sharing scheme.

In regard to these I would suggest a uniform rate of 10 annas per ton on all kinds of ores and my reasons for such a recommendations are given hereunder. In the first place there are very few places or practically none at all where high grade ores are to be got in large quantities. When such high grade stuff is found licensees will generally mix that with the very low grade material so as to bring about a marketable stuff(of 38 to 42 % Mn). 12 annas a ton on ores of 44% and under is also considered to be working as a damper on the industry and it is for this reason that it was reduced to 6 annas in 1926 and made applicable to licenses under the profit sharing scheme. The same reasons still hold good. The present market conditions for low grade manganese ore continue to be unfavourable. In view of the recommendation to withdraw the profit scheme the levy of a uniform rate of 10 annas a ton will, I think meet the situation both to the advantage of Government and the license holders.

6) As regards chrome ore the policy of Government has recently been to reject all applications. This may be continued until our investigations in regard to the concentration of low grade ores is completed. The order relating to the issue of licenses under profit participating scheme even for chrome ore may be withdrawn. The royalty on it which is at present a uniform rate of Rs.1-8-0 a ton does not require any change.

My

VX

7) My recommendations therefore are -

1. that the rules as at present in force requiring participation of profits with Government both in respect of manganese and chrome ores should be withdrawn.

2. that the royalty on all manganese ores should be fixed at a uniform rate of 10 annas a ton irrespective of the grade of ore.

3. that the royalty on all Chrome ores to be at Rs.1-8-0 per ton.

4. These rules to be in force for 2 years

I have the honour to be,
Sir,
Your most obedient servant,

Director,
Mysore Geological Department.

C.N.

A. P. F. VI. GI]

SUBJECT.....

.....

.....

Section Geol

File No. 133-27

Serial No. 2

W.O. No. 10534

Diary No. of letter replied to....7611.....

General and Revenue Secretariat

( )

the *192*

To P. Sampat Iyengar Esq. M.A.
Dr. of Geol.

Date of issue.....30/3/28.....

Dear Sir,

Signed by...Mr N. Rama Rau.....

With reft. to your letter no. 2402 dy 8-3-28, recommending the withdrawal of the Profit-Sharing Scheme, and the levy of a uniform flat rate of Royalty at 10 annas per ton on all ~~sorts~~ grades of manganese ore, I am desired to request You to furnish ~~the~~ information on the following points.

List of enclosures.....

1) The amount realised by Govt by way of ~~at~~ 25% of the net profits during the period the Scheme has been in force in respect of

Copied by .....

a) Chrome,

Examined by .....

b) Manganese,

over

b

2) Quantity of Chrome ore won by private licensees and lessees and Royalty ~~accrued~~ thereon for the past 3 years each year.

3) - Quantity of manganese (high grade) ore won by private licensees and lessees and royalty ~~accrued~~ thereon (at Rs 1-4-0 per ton) each year during the last 3 years.

4) Quantity of manganese (low grade) ore won by private licensees and lessees and royalty ~~accrued~~ thereon (at 6 annas per ton) during the period of two years from 1st April 1926.

The favour of an immediate reply is requested

Yours Sincerely

MA

30/3/26

Govt 133 27 3 7

GOVERNMENT OF MYSORE

No 24027

Encls 3

Mysore Geological Department.

Bangalore, 10th April 1928

Dno 8407

Dear Sir,

In reply to your letter D.O.No.D.10534 Geol.133-27-2, dated 30th March 1928, I beg to furnish hereunder information on all the required points.

1. (a) The amount realised by way of 25 % net profits in respect of chrome is Rs.4941-15-10. This has been solely from Mr. C. W. Schomburg. In addition to the amount realised a sum of Rs.1880-4-0 is still due from him on account of the profits

1. (b) The amount realised by way of profits in respect of manganese is Rs.642-15-3. This has been solely from the Keshapur block worked by Mr.A. H. Burrett and subsequently transferred to Pandit Radhakant Malaviya.

2. The statements called for in (2), (3) & (4) of your letter are prepared and forwarded herewith.

3. From the statements it will be clear that the royalty on Manganese at the uniform rate of 10 as. per ton on all grades, if introduced will be more advantageous to Government than the different rates of 1-4-0 & 6 as. on high and low grade ores even with the percentage of profits.

Yours sincerely

Sampat

N. Rama Rao, Esquire, B.A., B.L.,
Secretary to Government,
Development Departments.

C.N.

Chrome Ore won by private licensees or lessees during three years from 1924-25.

Name of licensee or lessee.	Year.	Quantity won. Tons.	Quantity removed. Tons.	Royalty.	Rate of royalty as per lease terms.
V.Manickavelu Mdr.& Son.	1924-25	5225	6716.5	5037-6-0	12 as. per ton
	1925-26	7600	12027.5	9020-10-0	
	1926-27	17350	12404	9465-8-0	
		30175	31148.0	23523-8-0	
ysore Chromite Ld.(Shinduvalli block)	1924-25	3140.5	3454.92	2591-3-0	12 as.
	1925-26	3556	3474.39	2606-8-9	
	1926-27	4614	3524	2642-14-2	
		11310.5	10453.31	7840-9-11	
Mysore Chromite Ld.(Pensamudra block.)	1924-25	349	Nil.	Nil.	1 Re.per ton.
	1925-26	1187	"	"	
	1926-27	859	1693	1693-0-9	
		2395	1693	1693-0-9	
C.W.Schomburg.	1924-25	730	600	900-0-0	
	1925-26	1923	2457	3684-14-0	Rs.1-8-0
	1926-27	2622	2933	4399-2-0	per ton
		5275	5990	8984-0-0	
Pallaghatti Adavappa.	1924-25	800	Nil.	Nil.	
	1925-26	1100	"	"	Do.
	1926-27	Nil.	"	"	
		1900	Nil.	Nil.	
Oakley Duncan & Co	1924-25	Nil.	Nil.	Nil.	
	1925-26	Nil.	"	"	Rs.1-8-0 per
	1926-27	Nil.	478 (Previous stock)	717-0-0	ton.
		Nil.	478	717-0-0	

Director,
Mysore Geological Department.

C.N.

Statement showing the quantity of high grade Manganese Ore won by private licensees and lessees during the last three years.

		Quantity Tons.	Royalty @ 1-4-0.
1924-25	Nil.		
1925-26	Nil.		
1926-27	Messrs.V.Manickavelu Mudr. & Son.	145.5	181-14-0
	Messrs.Oakley Duncan & Co.	113	141-9-0
	Mr. E. H. Rushton.	86.14	107-10-11
1927-28	Oakley Duncan & Co.	422	527-8-0
	E. H. Rushton.	44	55-0-0

M. Sampathkumar
Director,
Mysore Geological Department.

C.N.

Quantity of low grade Manganese Ore won by private licen ~~and lessees~~ and royalty thereon at 6 as. per ton during a period of 2 years from April 1926.

				Quantity Tons.	Royalty.
1.	United Steel Co.	P.L's	1925-26 last Qr	Nil.	Nil.
			1926-27	1271	476-10-0
			1927-28 half year.	3200.65	1200-13-0
			Total	4471.65	1676- 7-9
2.	Singri Nanjappa		1925-26 last Qr.	46.5	17- 7-0
3.	A. H. Burrett.		1925-26 last Qr.	Nil.	Nil.
			1926-27	817	307- 2-9
			1927-28 hald year.	971	364- 2-0
				1888	671- 4-9
4.	E. H. Rushton.		1926-27	Nil.	Nil.
			1927-28 half year	145	54- 6-0
			Grand total.	6451.15	2419- 9-6

No.1 - Not under profit-sharing scheme; royalty at 6as. as a special concession.

Nos.2, 3 and 4. Under profit-sharing scheme.

T. S. Sambasiva Iyengar
Director,
Mysore Geological Department.

C.N.

Particulars in respect of lessees are not given, assessment on the rate of royalty are unalterable in this cases.

Statement showing the high and low grade Manganese ore with the royalty as at present received, and the amt that cld. have been received on the same Quantity if an uniform flat rate of royalty at 10as per ton had been put

High grade ore

Year.	Name of the licensee	Quantity in tons	Royalty @ Rs 1-4-0 Rs as Rs	Royalty at 0-10-0 per ton. Rs as Rs
1926-27.	Messrs V.C. Mudr & Sons.	145.5	181-14-0	90-15-0
	" Oakley Duncanlo	113	141-4-0	70-10-0.
	" E.H. Rushton	86.14.	107-10-11	53-13-6
1927-28.	" Oakley Duncanlo.	422	527-8-0.	263-12-0
	" E.H Rushton	44	55-0-0	27-8-0
	Grand Total.		Rs 1013-4-11½	Rs 506-10-6

Low Grade ore at 0-6-0 per ton

				Royalty at 6as per ton	Royalty at 10as per ton
P.L.'s.					
1. 1926-27.	United Steel Co	1271		476-10-0	794-6-0
1927-28. half year	"	3200.65		1200-13-0.	2000-6-6
2. 1925-26 last Quarter.	Singri Nayappa	46.5		17-7-0	29-1-0.
3. 1926-27.	" A.H. Burrett	817		307-2-9.	510-10-0.
1927-28 half year		971		364-2-0 ;	606-14-0
4. 1927-28 do	" E.H. Rushton	145		54-6-0;	90-10-0
	Grand Total.	6451.15.		Rs 242.0-8-9½	4031-15-6

A The amt realised by way of profits Rs 642-15-3

Amt that Could have been realised at 10as per ton irrespective of the grade of the ore

Rs 4031-15-6 + Rs 506-10-6 = Rs 4,538-10-0,

Amount realised with the profits

High grade ore	Rs 1013-4-11
Low "	Rs 2420-8-9
Profits	Rs 642-15-3
Total	Rs 4076-12-11.

There wd. have been a net increase of Rs 461-13-1, if a uniform flat rate of Royalty at 10as per ton, had been levied.

Encl. 133-27-4

Proceedings of the Government of His Highness the Maharaja of Mysore.

Read :-

G.O.No: J.C. 5146-57 / Geol. 73-23-1 dated 26th February 1924 passing orders regarding the grant of prospecting licenses for chrome, subject, among other conditions, to the payment by the licensees of a share of the net profits (25%) derived in the business.

2. G.O.No: J.C. 2480-91 / Geol. 69-24-1 dated 4th October 1924 passing orders regarding the grant of prospecting licenses in respect of manganese, subject, among other conditions, to the payment by the licensees of a share of the net profits (25%) derived from the business.

3. Correspondence ending with G.O.No: J.C. 6545 / Geol. 73-25-4 dated 23rd March 1926 reducing temporarily for a period of 2 years, from 1st April 1926, the rates of royalty on low grade manganese ore (44% and below) from 12 as. per ton to 6 as. per ton.

4. Correspondence ending with letter No: 2402—2 dated 10th April 1928 from the Director of Geology, furnishing information regarding the revenue realised ~~by the Govt~~. by way of royalty, as well as a share of net profits in respect of chrome and manganese, and recommending, for the reasons stated, that (1) the profit sharing scheme be abandoned, (2) a uniform xx flat rate of royalty at 10 as. per ton be levied in

in respect of all manganese, irrespective of the grade of the ore, the existing rate of royalty on chrome ore being, however, continued as at present and (3) the revised arrangements be sanctioned for a period of 2 years from 1st April 1928

Order No: D13782-94

Bangalore, Dated 30th June 1928.

From the report of the Director, Government consider that the scheme of profit sharing which has now been in force for some time has not fulfilled anticipation while naturally unpopular with the miners, by whom among others objectionable features, it was regarded as involving an inquisitorial scrutiny into accounts, it has not yielded any increase of revenue to Government, at all commensurate with the work and vexation attendant on its enforcement. In the light of this experience, the Director recommends the abandonment of the profit sharing scheme, and states that the Board of Industries and Commerce are also of the same opinion.

The Working of the Scheme has been attended with practical difficulties and in view of the Speculative Nature of Mining it has been urged that the claim to a share of profits in addition to a Tonnage Royalty is not reasonable. The Bd. of I & C has expressed the opinion that it would be possible to limit the payment to Royalty & should take the form of a rate per acre & should be determined with reference to the circumstances of each case

Government agree with the Director and direct that the scheme be abolished in respect of both manganese and chrome.

2. Regarding royalty, the Director states that the present rate on chrome, namely, Re.1-8-0 per ton, is suitable and needs no

no change. In regard to Manganese, there are at present 2 rates based on the grades of ore - the first Re.1-4-0 per ton on ore with a manganese content of over 44%, and the second Re.0-6-0 per ton on ore of lower content. ~~The grounds on which these widely differing rates were fixed do not now exist in anything like the same degree; and~~ the application of these rates involves analysis and ~~much~~ considerable delay ~~An examination of the question has satisfied~~ Government ~~that present~~ Consider that under existing conditions ~~do not require~~ the continuance of ~~the~~ differential rates is unnecessary, and that it would be well ~~both fair to the parties concerned, and administratively convenient~~, to have a uniform rate on all manganese ore irrespective of ~~its~~ grade. ~~Government are accordingly pleased to abolish~~ the different rates of royalty fixed on the grade of ~~the~~ ore will accordingly be abolished and ~~to substitute therefor~~ a flat rate of Re.0-10-0 per ton on all grades manganese ore ~~extracted, whatever its grade~~ levied uniformly.

3. The arrangement herein sanctioned will be in force for a period of 2 years from 1st April 1928. The revised rates of royalty in respect of manganese will apply to prospecting licenses, granted or ~~extended~~ renewed, from 1st April 1928.

P.T.O

4. A eseparate notification will issue in respect of the revised rates of royalty on manganese ore.

Mines 30/4/28

25-4-28

24/4/28 Secretary to Government
Development Departments.

To

The Director of Geology.

The Comptroller to Govt, thro' F.D

The Chief Insp of Mines.

The Dep Cmr of Fs.

The Dir of I&C.

The Rev Cmr

speculative nature of mining. It has been urged that the claim to a share of profits in addition to a terminal royalty is not reasonable. The Board of Industries and Commerce has expressed the opinion that the payment to Government should take the form of only royalty the rates of which are determined with reference to the circumstances of each case.

Government agree with the Director and that the duties be abolished in respect of both manganese and barytes.

2. Regarding royalty, the Director states that the present rate on chrome, namely Rs.1-8-0 per ton, is suitable and that no change in regard to manganese, there are at present 5 rates based on the grades of ore - 1st class Rs.1-8-0 per ton on ore with a manganese content of over 45% and the lowest Re.1 per ton ore of lower content. The application of these rates involves analysis and entails delay. Government consider that under existing conditions, the continuance of differential rates is not necessary and that it would be well to have a uniform rate on all manganese ore irrespective of grade. The different rates of royalty fixed on the basis of ore will accordingly be abolished and a flat rate of Re.1-8-0 per ton on all grades of manganese ore uniformly levied.

3. The arrangement hereby sanctioned will be in force for a period of 2 years from 1st April 1943. The revised rate of royalty in respect of manganese will apply to prospecting licenses granted or renewed from 1st April 1943.

4. A separate notification will issue in respect of the revised rate of royalty on manganese ore.

Thavaraja?
for Secretary to Government
Development Department

To

The Director of Geology in Ayore.
The Comptroller to Government through Finance Secretary
The Chief Inspector of Mines in Ayore.
The Revenue Commissioner in Ayore.
The Director of Industries and Commerce in Ayore.
The Deputy Commissioner of Nilgiris.

Dev/3.

22

19

App. F. VI G 10.

Government of His Highness the Maharaja of Mysore.

GENERAL AND REVENUE DEPARTMENTS

manganese & chrome

Passes orders abolishing the scheme of profit-sharing by assignment on all licences for —— and sanctions the levy of uniform scale of royalty on manganese at 0-10-0 per ton a period of 2 years from 1st April 1928.

G. O. No. D. 13782-94/Eccl. 133-27-4 DATED 30th June 1928

May this be

i. printed? Yes

ii. treated as a standing order? Yes

iii. published in the Gazette English Part? Yes

iv. translated? Yes

v. placed at the disposal of the press? Yes

vi. published in the Gazette Kannada Part? Yes

I agree

MG

4/7/28

MG.

Government of His Highness the Maharaja of Mysore.

GENERAL AND REVENUE DEPARTMENTS.

G. O. No. D. 13782-94—Geol. 133-27-4, dated 30th June 1928.

Manganese and Chrome.

Passes orders abolishing the scheme of profit-sharing by Government on all licenses for —— and sanctions the levy of a uniform rate of royalty on manganese at Re. 0-10-0 per ton for a period of two years from 1st April 1928.

READ—

Government Order No. I. C. 5146-57—Geol. 73-23-1, dated 26th February 1924, passing orders regarding the grant of prospecting licenses for chrome, subject, among other conditions, to the payment by the licensees, of a share of the net profits (25%) derived in the business.

2. Government Order No. I. C. 2480-91—Geol. 49-24-1, dated 4th October 1924, passing orders regarding the grant of prospecting licenses in respect of manganese, subject, among other conditions; to the payment by the licensees, of a share of the net profits (25%) derived from the business.

Correspondence ending with Government Order No. I. C. 6545—Geol. 73-25-4, dated 23rd March 1926, reducing temporarily for a period of two years, from 1st April 1926 the rate of royalty on low grade manganese ore (44% and below) from Re. 0-12-0 per ton to Re. 0-6-0 per ton.

4. Correspondence ending with letter No. 2402-2, dated 10th April 1928, from the Director of Geology, furnishing information regarding the revenue realised by way of royalty, as well as a share of net profits in respect of chrome and manganese, and recommending, for reasons stated, that (1) the profit-sharing scheme be abandoned, (2) a uniform flat rate of royalty at Re. 0-10-0 per ton be levied in respect of all manganese, irrespective of the grade of ore, the rate of royalty on chrome ore being, however, continued as at present and (3) the revised arrangements be sanctioned for a period of two years from 1st April 1928.

ORDER No. D. 13782-94—GEOL. 133-27-4, DATED 30TH JUNE 1928.

From the report of the Director, Government consider that the scheme of profit-sharing which has now been in force for some time has not fulfilled anticipations. The working of the scheme has been attended with practical difficulties and in view of the speculative nature of mining, it has been urged that the claim to a share of profits in addition to a tonnage royalty is not reasonable. The Board of Industries and Commerce has expressed the opinion that the payment to Government should take the form of only royalty the rates of which are determined with reference to the circumstances of each case.

Government agree with the Director and direct that the scheme be abolished in respect of both manganese and chrome.

2. Regarding royalty, the Director states that the present rate on chrome, namely, Rs. 1-8-0 per ton, is suitable and needs no change. In regard to Manganese, there are at present two rates based on the grades of ore, the first Rs. 1-4-0 per ton on ore with a manganese content of over 44 per cent and the second Re. 0-6-0 per ton on ore of lower content. The application of these rates involves analysis and entails delay. Government consider that under existing conditions, the continuance of differential rates is not necessary, and that it would be well to have a uniform rate on all manganese ore irrespective of grade. The different rates of royalty fixed on the grade of ore will accordingly be abolished and a flat rate of Re. 0-10-0 per ton on all grades of manganese ore uniformly levied.

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NO. D 13782-94—GEOL. 133-27-4, DATED 30TH JUNE 1928

3. The arrangement herein sanctioned will be in force for a period of two years from 1st April 1928. The revised rate of royalty in respect of manganese will apply to prospecting licenses granted or renewed from 1st April 1928.

4. A separate notification will issue in respect of the revised rate of royalty on manganese ore.

N. RAMA RAO,
Secretary to Government,
Development Departments.

To—The Director of Geology in Mysore.
The Comptroller to Government; through the Financial Secretariat.
The Chief Inspector of Mines in Mysore.
The Revenue Commissioner in Mysore.
The Director of Industries and Commerce in Mysore.
The Deputy Commissioners of Districts.

Exd.—P. S. R. N.

W D 64—GPB—625—11-7-28

A. P. F. VI. G1]

23

SUBJECT.....

.....

.....

Section Genl.

File No. 133-27

Serial No. 5

No. 9 267

Diary No. of letter replied to.....

General and Revenue Secretariat

( )

the 192

To Notification

Date of issue 16/7/28

Signed by Mr N Ramaya

K + L

List of enclosures.....

Copied by.....

Examined by.....

In modification of Govt. Notifn. Nos 8457 Genl. 28-20-5, and No. C.6547/ Genl. 72-25-5 & 2-11-26 and 2372 & 26 respectively fixing rates of royalty on Manganese Govt. are pleased to direct ~~uniform~~ ~~rate of Rs. 1-0-0 per ton on~~ that ~~all grades of ore~~ a uniform rate of Re 1-0-0 be levied on all manganese ore, irrespective of grade per ton for a period of two years from

over

24

1st April 1928

Govt. adopted

By order

Dep. Secy

MM 6/7

The liability of the prospecting licence holders under the rules now in force to pay royalty on the profits made by them to Govt is hereby abolished

To

The Compiler, Mysore Gazette, for publication in the Gazette and invite a request that 500 copies of the same may be supplied to this office & 200 to the Dir. of Ecol

The liability of the ~~for chromite~~ many licensees under the rules hitherto in force to pay a ~~royalty~~ share of their net profits to Govt ~~has been hereby~~ abolished by G.O. No D.13782-Geol.133-27 dated 30/6/28

NG

VS

Extra

GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE,

No. D. 267 — General and Revenue Secretariat,

Geol 133-27-5

Dated Bangalore, 10/1/1925

NOTIFICATION.

In modification of Government Notifications Nos. J.8945/-Geol. 28-20-5, dx and I.J.6547/Geol. 73-25-5 dated 2nd November 1920 and 23rd March 1926 respectively, fixing rates of royalty on manganese Government are pleased to direct that a uniform rate of Re.0-10-0 per ton be levied on all manganese ore, irrespective of grade, for a period of two years from 1st April 1928.

The liability of the licensees for chrome and manganese under the rules hitherto in force to pay a share of their net-profits to Government has been abolished by Government Order No.J.13782-94/Geol. 133-27-4 dated 30th June 1928.

By Order

Udayashankar

for Secretary to Government,
Development Departments.

To

The Compiler, Mysore Gazette, for publication in the Gazette and with a request that 50 copies of the same may be supplied to this office and 200 to the Director of Geology.

JM.7.